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Approved by:

Michael Woolsey
AGBEIJING

Prepared by:

Zhang Jianping and Chanda Beckman

Report Highlights:

China's beef production in 2009 is expected to rise just two percent to 6.4 MMT, as increased input costs and comparatively low net returns continue to constrain supply growth. Pork production in 2009 is forecast to reach 46 MMT, up three percent over 2008, but still well below pre-blue ear disease levels of 52 MMT in 2006.

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Executive Summary

China's total meat production in 2009 is forecast to increase nearly four percent to 73.8 million metric tons (MMT). Beef production is expected to be roughly unchanged as growth in beef cattle has slowed significantly due to increased production costs, led by energy, feed, and labor.

Pork production in 2009 is expected to rise by three percent to 46 MMT compared to the previous year as China continues to recover from a devastating outbreak of PRRS (blue-ear disease) in 2007. Continued government support for swine production, including nationwide and local subsidies to sow producers, and reduced PRRS detections, will fuel modest production gains. Post believes production could begin approaching pre-PRRS levels by the end of 2009.

Cattle and Beef

Increasing Beef Production, but Pace Slow

FAS Beijing (Post) forecasts China's beef production in 2009 to increase by nearly two percent to 6.4 MMT, up from the revised 2008 estimate of 6.3 MMT. Increased feed and other production costs have pushed many backyard or smaller operators out of cattle rearing. Although China reported a modestly higher grain harvest in 2008, grain prices are expected to continue relatively high, as the minimum purchase price for this year's grain crop was raised under China's grain security strategy. Cattle producers also continue to be affected by outbreaks of Foot and Mouth Disease (FMD).

The sluggish prospects for Chinese beef production is in contrast to production of other livestock products, which enjoy substantial government support. Beef cattle subsidies are not yet on the government subsidy agenda, despite repeated calls from the beef cattle industry for more support. Low subsidy levels can be partly explained by the fact that beef only accounts for nine percent of China's total meat production. The high-end beef market is also small in China, which is mainly satisfied by imports. Therefore, beef is not as critical as pork which accounts for over 60 percent of China's total meat production or dairy products that have become more and more important source of nutrition in China.

According to China's cattle industry, the bulk of profits lie in the fattening and slaughter sectors as opposed to beef cow rearing for reproduction, which is slow because it takes about one year for a cow to produce one calf. Gross earning from one calf (not including labor and grass material costs) is only about U.S. \$145 (1,000 RMB) on average. Therefore, beef cow producers are not expected to expand new placements by a large margin in 2009. If government subsidy or supports for beef producers fail to materialize in the coming years, the beef cow inventory could actually drop, reducing calf crop production after 2009.

Although China's new Law on Corporate Income Tax (effective January 1, 2008) exempts companies involved in cattle rearing from paying corporate taxes, it has not yet attracted domestic and international investment in the beef sector, unlike the swine sector where investment has grown substantially after the new law. As production costs continue to increase and with little government support, profit for beef production continues to shrink relative to poultry and swine.

National Beef Cattle Genetic Improvement Center Launched

With investments totaling \$623,188 (4.3 million RMB), the National Beef Cattle Genetic Improvement Center opened its doors in March 2008 at the Northwest Agriculture and

Forestry University in Yangling, Shaanxi Province. This university is well known for its animal science program. In response to an urgent need to improve beef cattle production efficiency to curb high production costs, the university will focus on building a platform to demonstrate industrialization of genetic improvements for beef cattle production and feeding technologies through information collection, analysis, and research on China's high-quality beef cattle genetic resources. However, it could take several years to commercialize research results.

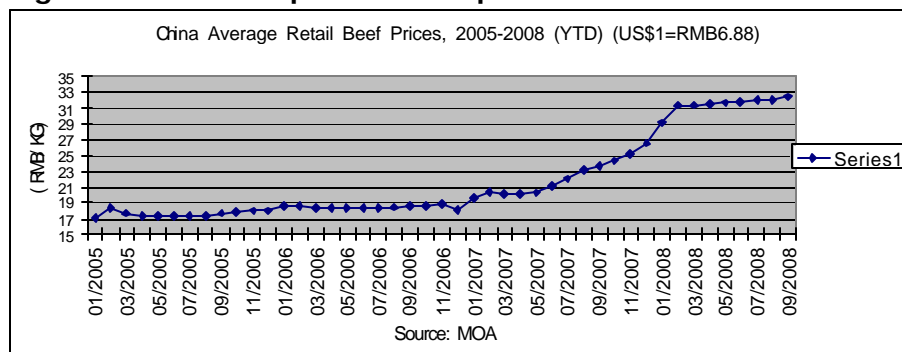
Chinese Official Elected OIE Commission Vice President for Asia-Pacific Region

The World Organization for Animal Health (OIE) convened its 76th session of the General Assembly in Paris, France at the end of May 2008. At the meeting Zhang Zhongqiu, Deputy Director General of the Veterinary Bureau at MOA was elected OIE Commission Vice President of the Asia-Pacific Region. This is the first time a Chinese official has served as an official of this organization. China has not yet lifted its ban on imports of live cattle and beef products from the United States due to BSE-related restrictions. Zhang's election to this new position will hopefully foster a better understanding in China of OIE principles for beef trade with countries where BSE has been detected.

Domestic Bovine Semen Subsidy Challenges U.S. Bovine Genetics Exports

China banned U.S. live cattle exports to China on December 25, 2003 due to BSE-related restrictions. It reopened its market for U.S. frozen bovine semen in 2005. Since then, the United States has become the largest foreign supplier to China's bovine genetics market. An emerging market lies in China's dairy genetic improvement. The Chinese government subsidizes artificial insemination for dairy cows and offers two straws of high quality frozen Holstein bull semen per cow at a price of U.S. \$2.20 (15 RMB). A new policy went into effect in late 2007 that provides U.S. \$72.50 (500 RMB) for each high quality dairy cow heifer produced from pure-bred breeding stocks with registered bloodlines. These pure-bred breeding stocks are selected and cultivated at domestic breeding centers approved and registered by the Ministry of Agriculture (MOA). Many of China's existing pure-bred breeding cows and bulls that are currently registered with MOA were imported from the United States before the outbreaks of BSE in North America. However, the United States cannot presently export breeding cows or bulls to China due to BSE-related restrictions. Currently U.S. trade potential lies with frozen semen exports to China. The U.S. Agricultural Trade Office in Guangzhou has implemented an Emerging Market Program to use 2,500 straws of U.S. frozen Holstein bull semen to train Chinese dairy cow raisers to conduct artificial insemination among selected dairy cows in China. The program is intended to demonstrate the high quality of U.S. genetic materials to Chinese dairy cow producers. (For more details, please see Post's annual dairy report CH8111.)

High Beef Prices Impact Consumption



China's beef consumption in 2009 is forecast to increase by nearly two percent to 6.3 MMT, up from the revised 2008 estimate of 6.2 MMT. Slower disposable income growth due to global economic weakness

and high domestic beef prices are expected to hinder beef consumption growth in the remainder of 2008 and in 2009.

From January to September 2008, China's average retail beef prices increased by 49 percent to RMB28,250 (\$4,154) per ton, up from RMB 18,988 (\$2,792) per ton over the same period in 2007. These high prices were mainly attributed to an eight percent decline in pork production in 2007 due to PRRS, which hampered supply, and increased demand for substitute meats. The average unit price for imported beef from January to October 2008 was over \$5,384 per ton, even higher than domestic prices. Beef prices are expected to continue to exceed pork and poultry prices in 2009 due to slow growth in production.

Increasing Beef Imports

FAS Beijing forecasts China's beef imports in 2009 to increase by ten percent to 11,000 MT, up from the revised estimate of 10,000 MT in 2008. Whether or not China resumes imports of U.S. beef is a key question as resumption in U.S. beef trade will likely result in significantly higher import volumes. At the moment, Australia is the largest direct beef supplier to China's import market while Uruguay recently surpassed New Zealand to become the second largest supplier. Growth in Uruguayan beef imports are mainly attributed to reduced New Zealand beef supplies due to drought and significantly lower prices on Uruguayan beef. Brazil is the largest supplier of re-exports to China via Hong Kong in 2008. Hong Kong's beef re-exports to China decreased by 51 percent during January-October 2008, partly because China temporarily reduced import tariffs for meat products from June 1 to December 3, 2008, to curb high meat prices. This encouraged direct shipments by reducing profitability of transshipments.

Most imported high-end beef is targeted toward foreign tourists. While the world economic crisis has not significantly affected China's tourism, the number of foreign tourists traveling to China continues to fall. If the sluggish tourist numbers continue into 2009, the beef import pattern may shift toward more lower-priced offals consistent with Chinese tastes and preferences.

Decreasing Live Cattle and Beef Exports

Post forecasts China's live cattle exports in 2009 to decrease by six percent to 30,000 head, down from the revised 2008 estimate of 32,000 head, and beef exports to decline by 21 percent to 48,000 MT from revised estimate of 61,000 MT. This reflects the slow increase in China's cattle and beef production. Hong Kong and Macau are China's dominant live cattle export markets, with Hong Kong accounting for 90 percent of the export market share. The appreciation of the RMB against the Hong Kong Dollar¹ has led to higher export prices, constraining exports as a result.

Swine and Pork

Pork Production Recovering Quickly

Post forecasts China's pork production in 2009 will rise three percent to 46 MMT, continuing a recovery from the devastating PRRS disease outbreak in 2007. Reduced PRRS detections, expected lower feed costs due to a record grain harvest in 2008, and continued government subsidies for sow production will help foster the modest gains. Pig crop production in 2009 is forecast to increase by three percent based on a one percent increase in the previous year. Post believes China's pork production will begin approaching pre-PRRS levels by the end of 2009.

¹ The RMB has appreciated 21 percent since 2005 when China discontinued its binding exchange rate against the U.S. Dollar and began using a package exchange rate.

While Post expects continued production gains, feed costs will continue to challenge Chinese pork producers. Feed accounts for 70 percent of the total swine production costs in China. Producers prefer rations that contain 60-70 percent corn. While corn and other feed costs have gradually fallen in recent months, they remain more than 20 percent higher than in the same period in 2007. Meanwhile, hog and pork prices have decreased over 10 percent due to increased production. With lower prices and continued high feed costs, some swine farmers, especially backyard and small operators, fear losing money on their operations. This fear could translate into dampened enthusiasm for increasing production in 2009.

Impact of New Corporate Income Law on Swine Production

On December 11, 2007, the State Council announced the "Regulation on Implementing the Law of the People's Republic of China on Corporate Income Tax" effective January 1, 2008. The new regulation exempts companies involved in animal and poultry rearing or primary simple processing from paying the 25 percent tax on corporate income. This new tax law has already attracted large domestic and foreign investment in swine rearing. For example, the China National Cereals, Oils and Foodstuffs Corp. (COFCO), the country's largest oils and food importer and exporter, started a five-year pig raising project, investing U.S. \$1.36 billion in Hubei Province, Central China. COFCO will build a 500,000 head reproducible sow breeding base, a 10 million live pig raising demonstration project, and establish centers for pig breeding technology research and swine disease prevention. In addition, a U.S. investment bank is reported to have bought over 10 farms in Jiangxi and Fujian provinces. Foreign companies are also investing through joint ventures with domestic partners. The Tangrenshen Company in Hunan Province recently undertook a new 10 million swine project, which will be completed in the next few years. FAS/Beijing believes these investments will show returns primarily after 2009 because it should take at least two years to begin production. These developments will translate into more concentrated swine rearing in the future, pushing more backyard and small operators out of the swine business.

Impact of Strategic Meat Reserves for Frozen Meat

Most of China's strategic reserves are pork. Beef and mutton reserves are small and designated for specific consumers. There is no reserve for broiler meat, because broiler production cycles are short and producers can easily recover from supply disruptions. Most strategic reserves in China are held as live animals because of the high costs associated with storage in cold warehouses. The Ministry of Commerce (MOFCOM) identifies and approves swine farms for live reserves. The government provides certain subsidies to guarantee an adequate swine supply when needed. If there is no need four months into the future, farmers can sell their swine and replace them with new animals. The disruption in production caused by PRRS, and natural disasters like the May 2008 earthquake in Sichuan Province and the ice storm in South China in early 2008, forced the government to increase frozen meat reserves to guarantee an adequate supply. MOFCOM requested provincial level reserves large enough to supply China's more than 500 million urban residents for seven days. Imported pork accounts for most of China's pork reserves. Smithfield, a U.S. company, is the largest supplier to the central reserves. However, China's imports in 2009 for central reserves are expected lower due to improving domestic production.

Pork Consumption Recovering Quickly

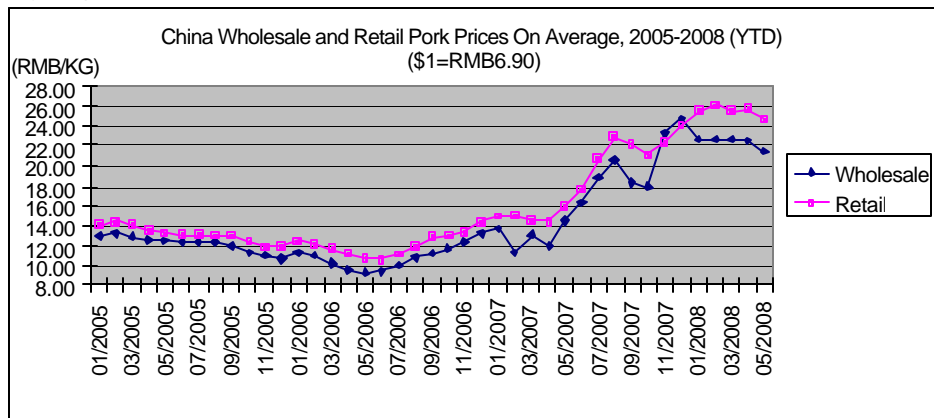
China's pork consumption in 2009 is forecast to continue recovering, rising three percent to 46.2 MMT, up from the revised 2008 estimate of 44.9 MMT in 2008. As producers have improved control of PRRS, consumer confidence has recovered quickly. Pork is still the most popular animal protein accounting for over 60 percent of China's total meat consumption.

For much of 2008, sharply higher pork prices due to reduced supplies provoked the Chinese government to take a number of steps to reduce prices and assist consumers. These included

providing subsidies at RMB 30-60 (\$4.40-8.70) per person per month for the lowest-income consumers to buy meat for six months in 2008. The

government also

capped meat prices in February 2008 following the winter ice storm that swept South and Central China and caused transportation and distribution channel disruptions. China also temporarily reduced its frozen pork import tariffs from 12 percent down to six percent from June 1 to December 31, 2008 to boost imports to help reduce upward price pressure. Domestic pork prices have since fallen significantly in response to large imports and increased domestic production. Consumers have increasingly switched back to pork consumption from poultry because of lower pork prices. This trend is expected to continue into 2009.



Pork Imports to Decrease Due To Rising Domestic Production

Post forecasts China's pork imports in 2009 to fall to 360,000 MT, down significantly from the revised estimate of 480,000 MT in 2008. Increased domestic production and slowed Chinese economic growth are expected to constrain imports.

China is the sixth largest export market for U.S. pork. U.S. exports to China from January to October 2008 increased eight times to 170,553 MT valued at \$304.7 million through direct shipments accounting for 61 percent of the total value of China's imports. U.S. exports to China via Hong Kong re-exports during the same period reached 30,844 MT valued at HK\$361.9 million. A substantial portion of U.S. pork is used for China's strategic reserves, a government subsidized program used to stabilize the market and ensure steady supplies. In 2009, China's increased domestic pork production and declining pork prices will reduce the need for strategic reserve imports. If needed, the Government may choose to increase live animal reserves when domestic swine are available and price competitive. Imports will also be slowed by higher meat import tariffs, which will return to 12 percent from six percent in January 2009.

China's imports from the EU (led by France and Denmark) have increased fast due to competitive prices. A significant factor is facilities in the United States and Canada have to make often costly adjustments to operations to meet China's zero tolerance for ractopamine residues, while the EU does not since use of ractopamine is forbidden in the EU. U.S. exporters are often warned or suspended by AQSIQ if ractopamine residues are found. USDA/FAS and FDA are communicating with MOA to encourage a science-based policy on ractopamine.

Decreasing Live Swine and Pork Exports

China's live swine exports in 2009 are forecast to decrease by three percent to 1.5 million head from the revised estimate of 1.54 million head in 2008. Pork exports in 2009 are

forecast to decrease seven percent to 200,000 MT. The September 2008 contamination of Chinese milk and animal feed with the industrial chemical melamine has reduced overall foreign demand for related products due to food safety concerns. Japan and Kyrgyzstan, China's second and third largest pork export markets, reduced imports from China by 11 and 49 percent, respectively after the melamine contamination crisis in September 2008, even though China reduced its export prices. Hong Kong will remain China's dominant export market in 2009

Statistics Tables

Cattle PS&D Table

Animal Numbers, Cattle China	2007			2008			2009			
	2007			2008			2009			
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
			Data			Data			Data	
Total Cattle Beg. Stks	139442	139442	104651	139721	139721	105948			107095	(1000 HEAD)
Dairy Cows Beg. Stocks	13632	13632	11400	14700	14700	12189			13000	(1000 HEAD)
Beef Cows Beg. Stocks	67500	67500	50585	68600	68600	51500			52048	(1000 HEAD)
Production (Calf Crop)	59500	59500	45353	60500	60500	46800			48500	(1000 HEAD)
Intra-EU Imports	0	0	0	0	0	0			0	(1000 HEAD)
Other Imports	15	15	15	15	15	14			13	(1000 HEAD)
Total Imports	15	15	15	15	15	14			13	(1000 HEAD)
Total Supply	198957	198957	150019	200236	200236	152762			155608	(1000 HEAD)
Intra EU Exports	0	0	0	0	0	0			0	(1000 HEAD)
Other Exports	51	51	51	49	49	32			30	(1000 HEAD)
Total Exports	51	51	51	49	49	32			30	(1000 HEAD)
Cow Slaughter	0	0	0	0	0	0			0	(1000 HEAD)
Calf Slaughter	0	0	0	0	0	0			0	(1000 HEAD)
Other Slaughter	58760	58760	43595	60000	60000	44528			45040	(1000 HEAD)
Total Slaughter	58760	58760	43595	60000	60000	44528			45040	(1000 HEAD)
Loss	425	425	425	1316	1316	1107			1000	(1000 HEAD)
Ending Inventories	139721	139721	105948	138871	138871	107095			109538	(1000 HEAD)
Total Distribution	198957	198957	150019	200236	200236	152762			155608	(1000 HEAD)
CY Imp. from U.S.	0	0	0	0	0	0			0	(1000 HEAD)
CY. Exp. to U.S.	0	0	0	0	0	0			0	(1000 HEAD)
Balance	0	0	0	0	0	0			0	(1000 HEAD)
Inventory Balance	279	279	1297	-850	-850	1147			2443	(1000 HEAD)
Inventory Change	-1	-1	2	0	0	1			1	(PERCENT)
Cow Change	3	3	1	0	3	3			2	(PERCENT)
Production Change	3	3	1	-2	2	3			4	(PERCENT)
Production to Cows	73	73	73	73	73	73			75	(PERCENT)
Trade Balance	36	36	36	34	34	18			17	(1000 HEAD)
Slaughter to Inventory	42	42	42	43	43	42			42	(PERCENT)
TS=TD			0			0			0	

(Not official PS&D table)

Meat, Beef, and Veal PS&D Table

Meat, Beef and Veal China	2007			2008			2009			
	2007			2008			2009			
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
			Data			Data			Data	
Slaughter (Reference)	58760	58760	43595	60000	60000	44524			45035	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0			0	(1000 MT CWE)
Production	7480	7480	6134	7730	7730	6260			6360	(1000 MT CWE)
Intra-EU Imports	0	0	0	0	0	0			0	(1000 MT CWE)
Other Imports	5	8	8	30	30	10			11	(1000 MT CWE)
Total Imports	5	8	8	30	30	10			11	(1000 MT CWE)
Total Supply	7485	7488	6142	7760	7760	6270			6371	(1000 MT CWE)
Intra EU Exports	0	0	0	0	0	0			0	(1000 MT CWE)
Other Exports	81	81	81	78	78	61			48	(1000 MT CWE)
Total Exports	81	81	81	78	78	61			48	(1000 MT CWE)
Human Dom. Consumption	7404	7407	6061	7682	7682	6209			6323	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0			0	(1000 MT CWE)
Total Dom. Consumption	7404	7407	6061	7682	7682	6209			6323	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0			0	(1000 MT CWE)
Total Distribution	7485	7488	6142	7760	7760	6270			6371	(1000 MT CWE)
CY Imp. from U.S.	0	0	0	0	0	0			0	(1000 MT CWE)
CY. Exp. to U.S.	0	0	0	0	0	0			0	(1000 MT CWE)
Balance	0	0	0	0	0	0			0	(1000 MT CWE)
Inventory Balance	0	0	0	0	0	0			0	(1000 MT CWE)
Weights	127	127	141	129	129	141			141	(1000 MT CWE)
Production Change	6	6	0	-4	3	2			2	(PERCENT)
Import Change	150	300	-11	400	275	25			10	(PERCENT)
Export Change	-5	-5	-18	-24	-4	-25			-21	(PERCENT)
Trade Balance	76	73	73	48	48	51			37.0	(1000 MT CWE)
Consumption Change	6	6	7	-4	4	2			2	(PERCENT)
Population	0	0	0	0	0	0			0	(HEAD)
Per Capita Consumption	0	0	0	0	0	0			0	(KG)
TS=TD			0			0			0	

(Not official PS&D table)

Cattle and Beef Trade Matrices

China Live Cattle Imports, 2006-2008 (Number of Head)					
	Jan-Dec	Jan-Dec	Jan - Oct		Jan - Oct
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
World	15,072	14,744	14,744	11,735	-20.41
Australia	12,265	11,344	11,344	9,084	-19.92
New Zealand	2,802	3,400	3,400	2,651	-22.03
United States	0	0	0	0	0.00
Canada	0	0	0	0	0.00
Other	5	0	0	0	0.00
HS Code: 010210, 010290					
Source: GTA China Statistics					

China Beef and Veal Direct Imports, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Oct		Jan - Oct
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
World	1,388	3,924	2,747	3,320	20.86
Uruguay	110	920	201	1,414	603.48
Australia	1,034	2,195	1,816	1,790	-1.43
New Zealand	234	457	381	91	-76.12
Brazil	7	333	333	9	-97.30
United States	0	0	0	2	0.00
Canada	0	0	0	0	0.00
Other	120	19	16	14	-12.50
HS Code: 020110, 020120, 020130, 020210, 020220, 020230, 021020 160250					
Source: GTA China Statistics					

Hong Kong Re-Exports of Beef and Veal to China, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Oct		Jan - Oct
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
World	114	1997	1959	951	-51.45
Brazil	60	718	682	650	-4.69
United States	0	435	435	151	-65.29
New Zealand	0	38	38	47	23.68
Canada	30	23	23	25	8.70
Argentina	0	219	219	28	-87.21
Other	24	272	562	50	-91.10
HS Code: 020110, 020120, 020130, 020210, 020220, 020230, 021020 and 160250					
Source: WTA Hong Kong Census and Statistics Department					

China Live Cattle Exports, 2006-2008 (Number of Head)					
	Jan-Dec	Jan-Dec	Jan - Oct		Jan - Oct
	Quantity	Quantity	Quantity Comparison		% Change
Destination	2006	2007	2007	2008	2008/07
World	54,389	50,888	43,917	27,164	-38.15
Hong Kong	45,957	42,275	36,175	23,992	-33.68
Macau	5,898	5,517	4,776	2,474	-48.20
Malaysia	0	1,813	1,813	0	-100.00
Korea North	20	450	450	0	-100.00
Mongolia	167	143	143	301	110.49
Saudi Arabia	2,217	0	0	0	0.00
Other	130	690	560	397	-29.11
HS Code: 010210, 010290					
Source: GTA from China Statistics					

China Beef and Veal Exports, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Oct		Jan - Oct
	Quantity	Quantity	Quantity Comparison		% Change
Destination	2006	2007	2007	2008	2008/07
World	60,849	58,206	48,296	35,816	-25.84
Hong Kong	15,051	15,815	12,508	12,165	-2.74
Japan	10,439	8,365	6,396	4,227	-33.91
Jordan	4,558	5,530	4,519	3,916	-13.34
Korea South	14,080	10,296	9,076	3,584	-60.51
Kuwait	3,668	3,825	3,290	2,704	-17.81
Kyrgyzstan	312	1,925	1,564	1,963	25.51
Malaysia	2,371	2,631	2,358	1,595	-32.36
Lebanon	2,269	1,937	1,418	948	-33.15
United Arab Emirates	169	761	627	637	0.00
Libya	303	75	75	618	724.00
Angola	64	675	536	569	6.16
Israel	0	0	0	568	0.00
Brunei	43	73	35	291	731.43
Qatar	250	366	278	254	-8.63
Macau	297	338	268	220	-17.91
Korea North	1,602	913	903	164	-81.84
Indonesia	1,502	1,188	1,132	15	-98.67
Other	4,003	3,932	4,445	1,393	-68.66
HS Code: 020110, 020120, 020130, 020210, 020220, 020230, 021020 and 160250					
Source: GTA from China Customs Statistics					

China Retail Beef Prices on Average, 2005-2008 (RMB/KG) (\$1=RMB6.88)					
					% Change
	2005	2006	2007	2008	2008/07
January	17.11	18.55	19.64	29.11	48.22
February	18.28	18.65	20.35	31.40	54.30
March	17.72	18.37	20.14	31.42	56.01
April	17.48	18.33	20.07	31.55	57.20
May	17.48	18.31	20.28	31.73	56.46
June	17.46	18.32	21.21	31.82	50.02
July	17.40	18.27	22.02	31.92	44.96
August	17.45	18.40	23.13	32.02	38.43
September	17.65	18.57	23.69	32.39	36.72
October	17.81	18.54	24.36		
November	17.98	18.86	25.27		
December	18.06	18.21	26.65		
Source: The Ministry of Agriculture					

Swine PS&D Table

Animal Numbers, Swine China	2007			2008			2009			
	2007			2008			2009			
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
			Data			Data			Data	
Total Beginning Stocks	494407	494407	418504	487801	464801	439895			446662	(1000 HEAD)
Sow Beginning Stocks	44000	46500	44206	44099	46000	43989			44900	(1000 HEAD)
Production (Pig Crop)	589333	630000	592080	604158	640000	600000			615000	(1000 HEAD)
Intra-EU Imports	0	0	0	0	0	0			0	(1000 HEAD)
Other Imports	3	3	3	4	4	9			7	(1000 HEAD)
Total Imports	3	3	3	4	4	9			7	(1000 HEAD)
Total Supply	1083743	1124410	1010587	1091963	1104805	1039904			1061669	(1000 HEAD)
Intra EU Exports	0	0	0	0	0	0			0	(1000 HEAD)
Other Exports	1609	1609	1609	1550	1550	1540			1500	(1000 HEAD)
Total Exports	1609	1609	1609	1550	1550	1540			1500	(1000 HEAD)
Sow Slaughter	0	0	0	0	0	0			0	(1000 HEAD)
Other Slaughter	589333	652000	565083	588158	644645	586750			604500	(1000 HEAD)
Total Slaughter	589333	652000	565083	588158	644645	586750			604500	(1000 HEAD)
Loss	5000	6000	4000	2500	5000	4952			2500	(1000 HEAD)
Ending Inventories	487801	464801	439895	499755	453610	446662			453169	(1000 HEAD)
Total Distribution	1083743	1124410	1010587	1091963	1104805	1039904			1061669	(1000 HEAD)
CY Imp. from U.S.	0	0	0	1	2	7			5	(1000 HEAD)
CY. Exp. to U.S.	0	0	0	0	0	0			0	(1000 HEAD)
Balance	0	0	0	0	0	0			0	(1000 HEAD)
Inventory Balance	-6606	-29606	21391	11954	-11191	6767			6507	(1000 HEAD)
Inventory Change	-2	-2	-3	-1	-6	5			2	(PERCENT)
Sow Change	-91	-5	-6	902	-1	0			2	(PERCENT)
Production Change	-8	-7	-2	3	2	1			3	(PERCENT)
Production to Sows	13.4	14.0	13.4	14.0	14.0	13.6			13.7	(PERCENT)
Trade Balance	1606	1606	1606	1546	1546	1531			1493	(1000 HEAD)
Slaughter to Inventory	119	132	135	121	139	133			135	(PERCENT)
TS=TD			0			0			0	

(Not official PS&D table)

Pork PS&D Table

Meat, Swine China	2007			2008			2009			
	2007			2008			2009			
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
			Data			Data			Data	
Slaughter (Reference)	589333	652000	565083	588158	644645	586750			604500	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0			0	(1000 MT CWE)
Production	44200	41609	42878	44700	42026	44593			46000	(1000 MT CWE)
Intra-EU Imports	0	0	0	0	0	0			0	(1000 MT CWE)
Other Imports	198	186	198	210	200	480			360	(1000 MT CWE)
Total Imports	198	186	198	210	200	480			360	(1000 MT CWE)
Total Supply	44398	41795	43076	44910	42226	45073			46360	(1000 MT CWE)
Intra EU Exports	0	0	0	0	0	0			0	(1000 MT CWE)
Other Exports	350	350	350	330	330	215			200	(1000 MT CWE)
Total Exports	350	350	350	330	330	215			200	(1000 MT CWE)
Human Dom. Consumption	44048	41445	42726	44580	41896	44858			46160	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0			0	(1000 MT CWE)
Total Dom. Consumption	44048	41445	42726	44580	41896	44858			46160	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0			0	(1000 MT CWE)
Total Distribution	44398	41795	43076	44910	42226	45073			46360	(1000 MT CWE)
CY Imp. from U.S.	88	88	91	94	94	205			160	(1000 MT CWE)
CY. Exp. to U.S.	0	0	0	0	0	0			0	(1000 MT CWE)
Balance	0	0	0	0	0	0			0	(1000 MT CWE)
Inventory Balance	0	0	0	0	0	0			0	(1000 MT CWE)
Weights	75	64	76	76	65	76			76	(1000 MT CWE)
Production Change	-9	-9	-8	1	1	4			3	(PERCENT)
Import Change	120	107	120	6	8	142			0	(PERCENT)
Export Change	-36	-36	-36	-6	-6	-39			-7	(PERCENT)
Trade Balance	152	164	152	120	130	-265			-160	(1000 MT CWE)
Consumption Change	-9	-9	-7	1	1	5			3	(PERCENT)
TS=TD			0			0			0	

(Not official PS&D table)

Swine and Pork Trade Matrices

China Swine Imports, 2006-2008 (Number of Head)					
	Jan-Dec	Jan-Dec	Jan - Oct		Jan - Oct
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
World	2,489	2,506	2,506	8,381	234.44
United States	1,038	194	194	6,478	3239.18
Canada	503	1,780	1,780	1,777	-0.17
Denmark	662	0	0	126	0.00
United Kingdom	266	262	0	0	0.00
France	0	270	0	0	0.00
Other	20	0	532	0	-100.00
HS Code: 010310, 010391, 010392					
Source: GTA China Statistics					

China Pork Imports by Reporting Countries Export Statistics, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Oct		Jan - Oct
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
World	52,308	98,274	77,533	260,924	236.53
United States	31,866	67,870	51,900	107,517	107.16
France	2021	3767	2,753	67,756	2361.17
Denmark	629	4,319	3,899	65,613	1582.82
Canada	15,870	17,576	16,409	15,204	-7.34
United Kingdom	668	960	99	1,942	1861.62
Taiwan	11	205	57	505	785.96
Belgium	668	960	477	0	-100.00
Ireland	2	758	223	0	-100.00
Other	573	1,859	1,716	2,387	39.10
HS Code: 020311, 020312, 020319, 020321, 020322, 020329, 021011 021012, 021019, 160241, 160242 and 160249 ,					
Source: GTA Reporting Countries's Export Statistics					
Note: Hong Kong Re-exports to China is in a separate table.					

Hong Kong Re-Exports of Pork to China, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Oct		Jan - Oct
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
The World	17,127	53,696	45,398	151,702	234.16
United States	362	1,956	1,502	30,844	1953.53
Germany, Fed Rep	4,851	8,991	7,696	24,345	216.33
Spain	3,581	11,243	9,492	21,648	128.07
Canada	1,637	641	541	15,567	2777.45
Netherlands	690	4,809	3,862	11,938	209.11
Italy	100	3,545	2,904	7,810	168.94
Brazil	719	6,209	5,330	7,487	40.47
Poland	497	2,478	2,094	6,700	219.96
Denmark	2,537	3,132	2,657	4,916	85.02
United Kingdom	151	791	371	3,519	848.52
Belgium	1,045	2,639	2,380	3,503	47.18
France	627	2,900	2,760	3,491	26.49
Ireland	225	803	729	2,754	277.78
Hungary	0	736	644	2,131	230.90
Other	105	2,823	2,436	5,049	107.27
HS Code: 020311, 020312, 020319, 020321, 020322, 020329, 021011 021012,					
021019, 160241, 160242 and 160249 ,					
Source: WTA from Hong Kong Census and Statistics Department					

China Pork Imports by Reporting Countries Export Statistics, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Oct		Jan - Oct
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
World	52,308	98,274	77,533	260,924	236.53
United States	31,866	67,870	51,900	107,517	107.16
France	2021	3767	2,753	67,756	2361.17
Denmark	629	4,319	3,899	65,613	1582.82
Canada	15,870	17,576	16,409	15,204	-7.34
United Kingdom	668	960	99	1,942	1861.62
Taiwan	11	205	57	505	785.96
Belgium	668	960	477	0	-100.00
Ireland	2	758	223	0	-100.00
Other	573	1,859	1,716	2,387	39.10
HS Code: 020311, 020312, 020319, 020321, 020322, 020329, 021011 021012,					
021019, 160241, 160242 and 160249 ,					
Source: GTA Reporting Countries's Export Statistics					
Note: Hong Kong Re-exports to China is in a separate table.					

China Swine Exports, 2006-2008 (Number of Head)					
	Jan-Dec	Jan-Dec	Jan - Oct		Jan - Oct
	Quantity	Quantity	Quantity Comparison		% Change
Destination	2006	2007	2007	2008	2008/07
World	1,722,540	1,609,008	1,341,048	1,284,337	-4.23
Hong Kong	1,602,222	1,491,689	1,243,105	1,205,293	-3.04
Macau	117,382	116,712	97,336	78,901	-18.94
Korea North	2,294	347	374	0	-100.00
Other	642	260	233	143	-38.63
HS Code: 010310, 010391, 010392					
Source: GTA from China Customs Statistics					

China Pork Exports, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Oct		Jan - Oct
	Quantity	Quantity	Quantity Comparison		% Change
Destination	2006	2007	2007	2008	2008/07
World	418,788	269,099	231,688	137,873	-40.49
Hong Kong	129,965	107,431	90,783	69,848	-23.06
Japan	79,133	74,430	62,232	34,894	-43.93
Kyrgyzstan	15,522	10,172	8,161	6,822	-16.41
Malaysia	11,258	7,934	7,059	5,644	-20.05
Macau	6,242	5,170	4,453	3,722	-16.42
Vietnam	29,322	9,623	7,518	1,980	-73.66
Korea North	75,364	21,166	19,980	2,114	-89.42
Singapore	12,748	6,456	6,351	3,373	-46.89
Philippines	13,571	9,525	8,751	2,792	-68.10
Indonesia	3,032	1,291	1,291	1,591	23.24
Lebanon	678	693	606	588	-2.97
Papua New Guinea	737	477	375	585	56.00
Korea South	8,006	433	382	425	11.26
Angola	2,341	359	155	78	-49.68
Albania	6,242	5,170	0	0	0.00
Kazakhstan	5,420	2,280	2,282	0	-100.00
Russia	6,984	822	0	0	0.00
Moldova	2,041	294	0	0	0.00
Georgia	2,195	78	78	609	680.77
Ukraine	630	0	0	0	0.00
Other	7,357	5,295	11,231	2,808	-75.00
HS Code: 020311, 020312, 020319, 020321, 020322, 020329, 021011 021012, 021019, 160241, 160242 and 160249					
Source: GTA from China Customs Statistics					

China Retail Pork Prices On Average, 2005-2008 (RMB/KG) (\$1=RMB6.88)					
					% Change
MONTH	2005	2006	2007	2008	2008/07
January	14.14	12.43	14.91	25.53	71.23
February	14.33	12.18	14.97	26.08	74.22
March	13.95	11.65	14.50	25.56	76.28
April	13.58	11.13	14.39	25.68	78.46
May	13.27	10.71	15.86	24.71	55.80
June	13.15	10.58	17.74	24.10	35.85
July	13.07	11.06	20.77	23.58	13.53
August	12.94	12.01	22.95	23.18	1.00
September	13.00	12.82	22.10	22.59	2.22
October	12.34	12.99	21.15		
November	11.87	13.35	22.35		
December	11.95	14.40	24.05		
Source: The Ministry of Agriculture					

China Retail Hog Prices On Average 2005-2008 (RMB/KG) (\$1=RMB6.88)					
					% Change
MONTH	2005	2006	2007	2008	2008/07
January	8.80	7.40	9.55	16.50	72.77
February	8.84	7.11	9.20	16.70	81.52
March	8.69	6.68	8.91	16.83	88.89
April	8.36	6.21	9.02	16.87	87.03
May	8.05	5.96	10.20	15.77	54.61
June	8.01	6.08	11.37	15.35	35.00
July	7.94	6.47	13.12	14.82	12.96
August	7.80	7.17	14.27	14.47	1.40
September	7.75	7.84	13.60	13.86	1.91
October	6.98	7.93	13.21		
November	6.75	8.33	14.13		
December	6.95	9.18	15.46		
Source: The Ministry of Agriculture					

China Retail Piglet Prices On Average 2005-2008 (RMB/KG) (\$1=RMB6.88)					
					% Change
MONTH	2005	2006	2007	2008	2008/07
January	13.43	9.24	12.12	29.66	144.72
February	13.56	9.48	12.26	30.62	149.76
March	14.64	8.85	12.68	35.29	178.31
April	14.51	7.82	13.31	38.23	187.23
May	14.02	6.98	15.09	36.11	139.30
June	13.74	6.84	17.17	34.55	101.22
July	13.35	7.05	20.11	33.01	64.15
August	12.74	8.31	24.09	30.94	28.44
September	12.09	9.60	23.70	28.55	20.46
October	10.02	9.85	22.62		
November	8.83	10.25	23.84		
December	8.68	11.44	26.21		
Source: The Ministry of Agriculture					

China Retail Industry Feed Prices for Fattening Swine On Average 2005-2008 (RMB/KG) (\$1 = RMB 6.88)					
					% Change
MONTH	2005	2006	2007	2008	2008/07
January	1.96	1.84	1.98	2.51	26.77
February	1.93	1.83	1.98	2.55	28.79
March	1.91	1.83	2.03	2.55	25.62
April	1.90	1.82	2.01	2.60	29.35
May	1.90	1.84	2.05	2.60	26.83
June	1.88	1.86	2.07	2.65	28.02
July	1.88	1.87	2.11	2.73	29.38
August	1.88	1.92	2.17	2.73	25.81
September	1.86	1.88	2.24	2.71	20.98
October	1.87	1.90	2.23		
November	1.85	1.90	2.33		
December	1.83	1.96	2.42		
Source: The Ministry of Agriculture					